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WOMEN'S NEEDS

REPORT TO THE 1985 GENERAL ASSEMBLY OF NORTH CAROLINA

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LEGISLATIVE RESEARCH COMMISSION

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RALEIGH 27611

December 13, 1984

TO THE MEMBERS OF THE 1985 GENERAL ASSEMBLY.

This is the Legislative Research Commission's report to the 1985 General Assembly on the Economic, Social and Legal Problems and Needs of Women. This report is made pursuant to House Bill 1142 (1983 Session Laws, Chapter 905) of the 1983 General Assembly.

This report was prepared by the Legislative Research Commission's Committee on Women's Needs and is transmitted by the Legislative Research Commission for your consideration.

Respectfully submitted,

Liston B. Ramsay
Speaker of the House

W. Craig Lawing
Senate President Pro Tempore

Cochairmen
Legislative Research Commission

TABLE OF CONTENTS

PAGE

I. INTRODUCTION i

II. COMMITTEE PROCEEDINGS 1

III. FINDINGS 10

IV. RECOMMENDATIONS TO THE 1985 SESSION 16

V. RECOMMENDED LEGISLATION

AN ACT TO AMEND G.S. 50-13.7 TO ALLOW MODIFICATION ONLY AS TO INSTALLMENTS ACCRUING SUBSEQUENT TO THE MOTION TO MODIFY A JUDGEMENT OR AN ORDER FOR CHILD SUPPORT 18

AN ACT TO AUTHORIZE LOCAL GOVERNMENT TO IMPLEMENT AND COMPLY WITH MINORITY OR WOMEN'S BUSINESS ENTERPRISE REQUIREMENTS FOR LOCALLY FUNDED PROJECTS 20

A JOINT RESOLUTION TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY SEX DISCRIMINATION IN INSURANCE 23

AN ACT TO ALLOW CERTAIN BENEFICIARIES OF AN INTEREST IN A CLOSELY HELD BUSINESS TO PAY THE INHERITANCE TAX ON THE TRANSFER OF THE INTEREST IN INSTALLMENTS 25

AN ACT TO APPROPRIATE FUNDS FOR SPOUSE ABUSE PROGRAMS 27

A JOINT RESOLUTION TO PERMIT THE CONTINUANCE OF THE WORK OF THE LEGISLATIVE RESEARCH COMMISSION'S STUDY ON THE ECONOMIC, SOCIAL, AND LEGAL PROBLEMS AND NEEDS OF WOMEN 28

VI. APPENDICES:

A. LEGISLATIVE RESEARCH COMMISSION 1983-1985

B. WOMEN'S NEEDS STUDY COMMITTEE 1983-1985

C. CHAPTER 905, 1983 SESSION

D. HOUSE JOINT RESOLUTION 904, 1983 SESSION

E. RATIO OF COLLECTIONS

F. STATEWIDE COLLECTIONS

G. CHILD SUPPORT COLLECTIONS - ALPHABETICAL LISTING

H. CHILD SUPPORT COLLECTIONS - PERCENT INCREASE

I. CHILD SUPPORT SYSTEMS CONVERSIONS

J. CASH REGISTER SYSTEM SCHEDULE

K. CHILD SUPPORT PAYMENT GUIDELINES

L. AN ACT TO AMEND THE HEALTH INSURANCE CONTINUATION AND CONVERSION PRIVILEGES LAW BY PROVIDING EXTENDED CONTINUATION PRIVILEGES TO SURVIVING, SEPARATED, AND DIVORCED SPOUSES AND BY CLARIFYING THE DEFINITION OF GROUP POLICY.

M. AN ACT TO PROVIDE EXTENDED CONTINUATION PRIVILEGES UNDER THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN TO SURVIVING AND DIVORCED SPOUSES AND SPOUSES WHOSE COVERAGE IS CANCELLED AT THE REQUEST OF THE OTHER SPOUSE.

N. LETTER OF JOHN INGRAM, COMMISSIONER OF INSURANCE

I N T R O D U C T I O N

INTRODUCTION

The Legislative Research Commission, established by Article 6B of Chapter 120 of the North Carolina General Statutes, is composed of twelve legislators who study a broad range of subjects authorized for study by the General Assembly (Membership, see Appendix A). During its 1983 Session, the General Assembly directed the Legislative Research Commission to continue to study the economic, social and legal problems and needs of women in North Carolina.

Senator Helen R. Marvin, serving as member of the Commission, was appointed as Legislative Research Commission member in charge of the study. Senator Marvin and Representative Ruth M. Easterling were appointed as Cochairpersons of the Committee studying the economic, social and legal problems and needs of women in North Carolina. Also serving on the Committee were Senators Rachel Gray, William G. Hancock, Jr., Lura Tally, and Representatives H. Parks Helms, Mary L. Jarrell (replacing Representative Anne Barnes), Walter B. Jones, Jr. and public members, Mrs. Alice W. Gatsis and Mrs. Nancy Jones. (Membership, see Appendix B). Staff assistance was provided to the Committee through the Legislative Services Office. Mrs. Sue Robertson served as Committee Clerk.

House Bill 1142 is an omnibus bill which authorizes the Legislative Research Commission to study many topics, including the economic, social and legal problems and needs of women (Appendix C). This legislation also enables the Commission to consider "the original bill or resolution in determining the nature, scope and aspects of the study." The resolution to which it refers, House Joint Resolution 904, (See Appendix D) provides:

"Section 1. The Legislative Research Commission may continue its study of the entire range of the economic, social and legal problems and needs of the women of the State of North Carolina."

The study of Women's Needs continued as a result of the work of the Legislative Research Commission and its Committee. The Committee issued its interim report to the Legislative Research Commission, which accepted it for transmittal to the 1984 Session of the 1983 General Assembly.

This final report presents a summary of Committee proceedings, findings, recommendations and proposed legislation for action during the 1985 General Assembly. It also recognizes areas where the Committee concludes that additional research and study of the mandated topics would be additionally productive.

C O M M I T T E E P R O C E E D I N G S

COMMITTEE PROCEEDINGS

This report is issued as a result of two meetings held by the Committee on November 15, 1984 and November 28, 1984. However, this report draws upon the work of the Committee as early as 1981 and its continued study of the subject of Women's Needs through 1984.

November 15, 1984 Meeting

Committee Counsel, Ms. Ann Christian, was recognized to review the Committee's Report to the 1984 Session of the 1983 General Assembly. The Cochairpersons followed her discussion of past Committee activity with explanations concerning the timing of their introduction of proposed legislation.

Two proposed bills which were contained in the Report to the 1984 Session would grant an option to continue or convert insurance coverage of surviving, separated and divorced spouses and dependents at group rates. The Commissioner of Insurance-Elect, Mr. Jim Long, and Staff Attorney for the Legislative Services Office, Mr. Bill Hale, appeared before the Committee to explain these two bills. The first bill, "AN ACT TO AMEND THE HEALTH INSURANCE CONTINUATION AND CONVERSION PRIVILEGES LAW BY PROVIDING EXTENDED CONTINUATION PRIVILEGES TO SURVIVING, SEPARATED, AND DIVORCED SPOUSES AND BY CLARIFYING THE DEFINITION OF GROUP POLICY," would apply to private policies. The second item of proposed legislation, "AN ACT TO PROVIDE EXTENDED CONTINUATION PRIVILEGES UNDER THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN TO SURVIVING AND DIVORCED SPOUSES AND SPOUSES WHOSE COVERAGE IS CANCELLED AT THE REQUEST OF THE OTHER SPOUSE," would apply to the State's health coverage for State employees.

Following Mr. Hales's explanation of the bills, Mr. Long assessed this proposed legislation and offered to work with the Committee as soon as he assumes Office to determine the actuarial impact of this legislation.

During the course of the Committee's discussion of this proposed legislation the Committee directed Committee Counsel to obtain information to determine if a processing fee should be paid to the employer. Additionally, staff was directed to consult the Insurance Department under the current administration to determine its evaluation of this legislation.

The Committee then heard a report on child support from Ms. Susan Smith, Chief of the Child Support Enforcement Program for the North Carolina Department of Human Resources (DHR). She discussed specific enforcement procedures which the State must establish for use with its IV-D Programs (resulting from the Federal Social Security Act with that section number) as specified by Congress. Ms. Smith revealed that the Governor is required by federal law to appoint a commission to recommend needed changes. She and Ms. Bonnie Cramer who is also with the Department of Human Resources confirmed the Department's plan to sponsor legislation on income withholding for IV-D participants.

Representative Easterling reiterated her commitment to the Committee's active role in developing child support legislation. The Committee reiterated that commitment by directing its staff to investigate development of legislation to collect child support via wage withholding from non-IV-D clients.

The examination of the subject of child support continued with an appearance by Mr. Franklin Freeman, Director of the

Administrative Office of the Courts. He reported the significantly increased collection of child support as a result of legislation proposed by this Committee and made effective in October of 1983. He distributed copies of materials reflecting a ratio of child support collections to total administrative costs, collections by month, collections set out alphabetically by county and child support collections by county ranked by percentage of increase (Appendices E, F, G, and H.) He informed the Committee that 74 counties should be on an automated child support collection system by June 30, 1987 and that 24 counties should be on the system by June 30, 1985, if legislative funding is provided.

Staff Counsel was then called upon to discuss proposed legislation dealing with inheritance tax entitled, "AN ACT TO ALLOW CERTAIN BENEFICIARIES OF AN INTEREST IN A CLOSELY-HELD BUSINESS TO PAY THE INHERITANCE TAX ON THE TRANSFER OF THE INTEREST IN INSTALLMENTS" (See page 25). Following a discussion of the proposed legislation Ms. Christian was instructed to investigate the federal law further in this area and report this information at the following meeting.

Senator Marvin conveyed to the Committee that state employees have health coverage under the State health plan and began the discussion of the future direction of the Committee's work.

Three areas of emphasis include child support, inheritance tax and the two insurance bills discussed earlier. In addition, Representative Jones expressed some concerns regarding the State's domestic violence laws. While the Committee did not identify specific areas of law which needed correction, they pointed out the need for the best people to administer them. The Committee determined to consider funding of the Domestic Violence Program at the level of $500,000 in the upcoming budget.

Recalling issues that had been discussed but not finalized in the form of legislation, Counsel was directed to include these issues in the Committee report in the hope that they will be considered by subsequent standing committees or study committees.

November 28, 1984 Meeting

The Committee met to receive follow up information regarding child support collection, insurance law, inheritance law, and spouse abuse programs as well as to approve its report to the Legislative Research Commission.

First to report to the Committee was Mr. Franklin Freeman, Director of the Administrative Office of the Courts. Following his report of increased child support collection (payments of October of 1984 up 32.5 percent over October of 1985), Mr. Freeman distributed a tentative schedule for conversion of counties to the automated child support system. The automated procedure was described by Mr. Freeman to include: (1) entering data, (2) making data available for recall and review, (3) once an account is more than 30 days in arrears, automatically printing out and mailing a notice to pay and (4) after 20 days have elapsed and no payment is received, automatically printing out a "show cause" order and sending it out to call the subject to court. Finally, when a payment is received the account is automatically updated. (See Appendix I for a list of counties to be automated on the central computer and Appendix J for a list of counties to be automated on a stand-alone unit).

Second to discuss the subject of child support collection was Mr. Clifton Duke, Assistant Attorney General. In his remarks he explained the need to develop legislation providing for the broader "income withholding" rather than simply "wage withholding."

Additionally, he discussed some anticipated changes in the law which will be required by the federal government to insure collection of child support.

Ms. Susan Smith, Chief of the Child Support Collection Program for the Department of Human Resources, was thanked for providing the Committee with a copy of guidelines establishing minimum percentages of child support which could be collected for different-sized families. It was explained that these guidelines are in effect in Mecklenberg County and based on guidelines developed in Wisconsin (Appendix K).

Turning to the subject of insurance, the Committee was read a letter from Mr. John Ingram, Commissioner of the Department of Insurance. In this letter he voiced his support of two proposed bills providing conversion and continuation of health insurance coverage at group rates (Appendices L, M, and N). His letter was followed by comments from the industry which were critical of the bills. Mr. Bill Eller, Vice President for Group Claims for Pilot Life Insurance Company, expressed difficulties with notification requirements, reservations regarding mandating acceptance of people on the policy who are not related to the employee and the length of time allowed for continuation of the policy. His comments were followed by those of Mr. Brad Adcock, representing Blue Cross/Blue Shield. Mr. Adcock's criticisms of the bills included: (1) insurance of a former spouse and dependents of a former employee, (2) rising costs, (3) mandating coverage where it is intended

as a fringe benefit, (4) the nonapplicability of these bills to any insurance company doing business outside of North Carolina and (5) the extension of coverage to people who have no relationship to the employee. Following a discussion of these issues the Committee recommended that some legislation be introduced that will assure continuation and conversion of health policies to surviving, separated, and divorced spouses.

The Committee then considered legislation appropriating funds for spouse abuse programs to aid victims of abuse. The Committee voted to recommend this legislation to the Legislative Research Commission for introduction and enactment.

Returning to the issue of child support, the Committee continued its discussion of recommendations. The Committee then voted to recommend that legislation be enacted to assure collection of child support by procedures proposed by the federal government for "IV-D" cases.

Members of the Committee then reviewed its proposed report to the Legislative Research Commission. Turning to the recommendations, the Committee approved five recommendations found under Roman numeral "I" as general proposals to the General Assembly as follows:

A. Aid to Families with Dependent Children (AFDC) payments should be increased ten percent (10%) annually until payments reach poverty level.

B. Due to the disproportionate number of women represented in the poverty class, Job Training Partnership Act (JTPA) funds which are used to train people for jobs

should be largely expended to aid North Carolina's women.

C. The North Carolina office of State Personnel's development of work options, particularly regarding flexible work schedules, should be funded to the extent feasible.

D. Sufficient spousal and child abuse program funding should be continued in the base budget.

E. The authority, membership, and staff of the North Carolina Council of the Status of Women should be continued at their present levels.

Following its discussion of the issue of continuation and conversion of health policies at group rates and the issue of development of child support enforcement laws which will compact with newly-enacted federal legislation, the Committee also voted to include these subjects in its list of general recommendations.

Discussion of specific legislation under Roman numeral "II" which was listed as "A through N" ensued. The first of these, "A," proposed ratification of the Equal Rights Amendment to the U. S. Constitution. The issue of supporting the Equal Rights Amendment to the U. S. Constitution was discussed and made a "finding" as opposed to a specific legislative recommendation. Then the Committee voted to retain recommendations as proposed legislation designated "C," "I," "L," and "N" as follows:

C. AN ACT TO AMEND G.S. 50-13.7 TO ALLOW MODIFICATION ONLY AS TO INSTALLMENTS ACCRUING SUBSEQUENT TO THE MOTION TO MODIFY A JUDGEMENT OR AN ORDER FOR CHILD SUPPORT.

I. AN ACT TO AUTHORIZE LOCAL GOVERNMENT TO IMPLEMENT AND COMPLY WITH MINORITY OR WOMEN'S BUSINESS ENTERPRISE REQUIREMENTS FOR LOCALLY FUNDED PROJECTS.

L. A JOINT RESOLUTION TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY SEX DISCRIMINATION IN INSURANCE.

N. A JOINT RESOLUTION TO PERMIT THE CONTINUANCE OF THE WORK OF THE LEGISLATIVE RESEARCH COMMISSION'S STUDY ON THE ECONOMIC, SOCIAL, AND LEGAL PROBLEMS AND NEEDS OF WOMEN.

The Committee then directed that two bills, one relating to inheritance tax and the other to fund aid to victims of spouse abuse, which had been approved earlier, were to be included with this recommended legislation.

With the approval of the report, the Committee was thanked for its work and adjourned.

F I N D I N G S

FINDINGS

After thoughtful consideration of the testimony and other information presented since its creation, the Committee studying the economic, social, and legal problems and needs of the women of the State of North Carolina makes the following findings:

1. Women are becoming a greater portion of the poverty class in North Carolina. Studies indicate that at every age females are more likely to be poor than males. This difference in poverty rates increases as women grow older. Also, poverty rates are highest in homes with females and no husband. Demographic trends indicate that the number of female householders and females over 65 are likely to increase dramatically.

2. The "wage gap" between men and women has, if anything, grown slightly over the last forty years. In 1939 women's wages were 63 percent of men's. In 1959 women earned 61 percent of what men earned. In 1971 women were earning 59 percent of what men were earning.

3. The gap between male wages and female wages is not only created by unequal access to jobs and the failure to pay women equal work but also by valuing women's work of comparable worth less than a man's work. Although the 1963 Equal Pay Act guaranteed equal pay for equal work, women who work full time still earn 59.8 cents for every dollar a man earns. According to Janet Norwood, Commissioner of the U. S. Bureau of Labor Statistics, even when education, job experience, responsibilities and other job characteristics are factored into the equation, there remains a 27 percent wage gap.

An explanation appears that women do not work the same jobs that men do and the jobs they have traditionally held are the

lowest-paying jobs. Yet these positions require a wide range of skills and some require much more education, special abilities, and experience than jobs that are traditionally held by men.

Resolving this inequity has prompted the development of the pay equity or comparable worth concept. For while unequal pay for the same job is clearly discriminatory, it is also the position of those advocating pay equity (equal pay for work of comparable value) that unequal pay for the comparable jobs is clearly discriminatory.

4. As economic need requires more women to adapt their role as the parent with domestic responsibilities to include also the responsibility of family breadwinner, it becomes more imperative that women be assisted to learn the skills necessary for employment at a higher salary. Whether it is as the single parent providing for a child(ren) or a parent within the traditional framework of a marriage, women generally work as a result of need rather than simply as a matter of preference. Because jobs that are typically filled by women who are at the bottom of the wage scale, often a woman can better provide for her family in a job which is more typically filled by a male. However, few women are trained to fill these non-traditional positions and assistance in acquiring the new skills necessary.

5. Child support received by a custodial spouse is often inadequate to meet the needs of the family. The standard of living of a mother and child(ren) following a divorce drops dramatically. One California study stated that on the average a husband's standard of living rises 42% while the former wife and children's goes down 73%. A Colorado study found that in two-thirds of the cases the car payment was greater than the child support.

The inadequacy of child support results from both inadequate amounts ordered to be paid or agreed to be paid by a supporting spouse and by the fact that collection procedures are woefully inadequate. Streamlined procedures, the proper equipment, and

trained personnel are all ingredients prerequisite to a properly-functioning court system capable of serving custodial spouses and children. North Carolina has made significant strides in this direction but collection procedures may require further refining and additional funding.

6. Women not receiving their court-ordered child support often do not utilize the court system because they are ignorant of the process, intimidated by their present or former spouse, or do not have the means to hire a lawyer to insure payment of child support. In most cases the dependent spouse is unfamiliar with the court system and, if not receiving child support, is even less able to engage the services of an attorney to proceed with her (or his) case. Evidence indicates a great need to provide prompt assistance to the dependent spouse whose court-ordered child support is in arrears because in many cases not only is the family immediately unable to pay its bills, but the larger the arrearages grow, the more difficult, if not impossible, they are to collect. Additionally, nonpayment of child support is used as a method to harass the dependent spouse who is often informed she or he should not pursue the children's right to support or her custodial status will be challenged and her general welfare may be threatened.

7. Child support collection costs are considerably less than the burden taxpayers assume as they presently assist or fully support many single-parent households through welfare. Furthermore, as collection procedures become more efficient and communities send the message through their courts that an able parent must support his or her child, the tax burden for child support through public assistance programs should be significantly reduced.

8. Children are our future and if we fail to provide proper child care and support then many of our children will be without good nutrition, good health (including dental) care, sanitary living conditions, and the educational opportunities which are the basis for a

better tomorrow. The critical needs of North Carolina's children are not being fully met by many of their parents or their communities. Failure to consistently and adequately meet the needs of our children takes a physical and psychological toll which will be felt for generations to come.

9. North Carolina benefits under Aid to Families with Dependent Children (AFDC) are clearly inadequate. In 1982 a mother of two children receiving the maximum AFDC payment and also food stamps had an annual income which is only 57 percent of the 1981 poverty level guidelines for a family of three.

10. Of the last $550 million of business of the State of North Carolina, only one percent (1%) was done with minority/women business enterprises. Promoting women in business will further reduce the number of women who must rely on public assistance for themselves and their children.

11. Women have special needs which are not being met. Women in rural areas or women who are minors or poor have greater problems acquiring access to health services. Teenagers are in particular need of sex education and counseling, as evidenced by the rising rate of teenage pregnancies.

12. Sex discrimination in insurance has not been eliminated in North Carolina. Although in the one area of benefit to women where rates were based on sex classification, automobile insurance, the sex classification has been eliminated, in other areas of insurance sex discrimination is pervasive. This discrimination affects the rates that women pay for insurance and the availability of various types of insurance and insurance options as well as the benefits they receive.

13. There is significant evidence that sex discrimination exists in regard to life insurance. Women generally pay less for

life insurance than men because, as a group, they generally live longer than men. However, the rates do not fully reflect this longevity. While rates are usually calculated on a three-year setback from men's rates (just like rates for a man three years younger), current actuarial tables used to calculate pension/annuity rates project that women live six to nine years longer than men. Also, some options available to men are not available to women. Some companies will not sell a married woman a greater amount of coverage than her husband owns; guaranteed purchase options to buy additional coverage without evidence of insurability are not as readily available to women as men; and if waiver-of-premium options are available to women as men, they cost women one and one-half times more than men similarly situated.

14. There is significant evidence that sex discrimination exists in regard to health insurance. The cost of health insurance for women with identical coverage as men is often much higher than a man's cost. Also, women often cannot get coverage for pregnancy, family planning, or gynecological services. Insurance companies consider pregnancy a "voluntary" condition and refuse to cover it for that reason. However, many policies cover men's "voluntary" conditions such as vasectomies, cosmetic surgery, and sport injuries.

15. There is significant evidence that sex discrimination exists in regard to disability insurance. Generally there are longer waiting periods, shorter benefit periods and lower maximums for women than for men. But even with these serious disadvantages, some women cannot purchase disability insurance for any price. This is often true for women in occupations such as waitress or domestic work, although men in these positions appear able to acquire disability insurance. Also, it is often the case that part-time workers cannot get disability insurance and because women compose seventy percent of the part-time labor force, this has a disproportionally negative effect on women.

16. There is significant evidence that sex discrimination exists in regard to property, auto and liability insurance. Although North Carolina is one of a few states that has eliminated sex discrimination in auto rates (young women were paying less than young men), the effects on rates have been marginal. In the areas of property and liability insurance women often have more difficulty in getting home-owners insurance and often this is an additional disadvantage because commercial credit is often linked to adequate insurance. When applying for business insurance women are often stereotyped as a sex by individual agents and underwriters. Different treatment of women is widespread and not uncommon in the insurance industry.

17. Women, individually and as custodial parents, find that they are without insurance coverage for themselves and their families following a change in their marital status upon the death of or divorce from their spouses. Women are faced with the possibility of being unable to obtain insurance at any reasonable rate to cover a pre-existing condition due to the sometimes unilateral action of their spouses. Even more often women must pay the cost of much higher insurance premiums because coverage cannot be obtained at group rates and must be purchased much later in life.

18. The Committee's continuing support of ratification of the Equal Rights Amendment to the U.S. Constitution is the most appropriate approach to address the economic, social and legal problems and needs of women in North Carolina.

RECOMMENDATIONS

TO THE 1985

GENERAL ASSEMBLY OF NORTH CAROLINA

RECOMMENDATIONS

I. The Committee studying the economic, social and legal problems and needs of women of the State of North Carolina respectfully submits the following recommended proposals for consideration by the Legislative Research Commission and the 1985 Session of the General Assembly:

A. Aid to Families with Dependent Children (AFDC) payments should be increased ten percent (10%) annually until payments reach poverty level.

B. Due to the disproportionate number of women represented in the poverty class, Job Training Partnership Act (JTPA) funds which are used to train people for jobs should be largely expended to aid North Carolina's women.

C. The North Carolina office of State Personnel's development of work options, particularly regarding flexible work schedules, should be funded to the extent feasible.

D. Sufficient spousal and child abuse program funding should be continued in the base budget.

E. The authority, membership, and staff of the North Carolina Council on the Status of Women should be continued at their present levels.

F. Legislation to allow continuation and conversion of health insurance to provide extensive coverage at group policy rates for surviving, separated and divorced spouses and dependents.

G. Legislation to track newly-enacted federal law and guidelines to insure payment of child support in all cases where child support is ordered.

II. The Committee studying the economic, social and legal problems and needs of the women of the State of North Carolina respectfully submits the following recommended legislation for consideration by the Legislative Research Commission and the 1985 Session of the General Assembly:

A. AN ACT TO AMEND G.S. 50-13.7 TO ALLOW MODIFICATION ONLY AS TO INSTALLMENTS ACCRUING SUBSEQUENT TO THE MOTION TO MODIFY A JUDGEMENT OR AN ORDER FOR CHILD SUPPORT. (See page 18.)

B. AN ACT TO AUTHORIZE LOCAL GOVERNMENT TO IMPLEMENT AND COMPLY WITH MINORITY OR WOMEN'S BUSINESS ENTERPRISE REQUIREMENTS FOR LOCALLY FUNDED PROJECTS. (See page 20.)

C. A JOINT RESOLUTION TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY SEX DISCRIMINATION IN INSURANCE. (See page 23.)

D. AN ACT TO ALLOW CERTAIN BENEFICIARIES OF AN INTEREST IN A CLOSELY HELD BUSINESS TO PAY THE INHERITANCE TAX ON THE TRANSFER OF THE INTEREST IN INSTALLMENTS. (See page 25.)

E. AN ACT TO APPROPRIATE FUNDS FOR SPOUSE ABUSE PROGRAMS. (See page 27.)

F. A JOINT RESOLUTION TO PERMIT THE CONTINUANCE OF THE WORK OF THE LEGISLATIVE RESEARCH COMMISSION'S STUDY ON THE ECONOMIC, SOCIAL, AND LEGAL PROBLEMS AND NEEDS OF WOMEN. (See page 28.)

RECOMMENDED LEGISLATION

SESSION 19 83

INTRODUCED BY:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AMEND G.S. 50-13.7 TO ALLOW MODIFICATION ONLY AS TO INSTALLMENTS ACCRUING SUBSEQUENT TO THE MOTION TO MODIFY A JUDGMENT OR AN ORDER FOR CHILD SUPPORT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 50-13.7 is rewritten to read:

"§50-13.7 Judgment or order provisions pertaining to care, custody, tuition and maintenance of minor children.--

(a) Where the court has the requisite jurisdiction and upon proper pleadings and proper and due notice to all interested parties the judgment or order in an action for divorce, custody or support of minor children may contain any provisions respecting care, custody, tuition and maintenance of the minor children of the marriage that the court orders; and from time to time those provisions may be modified upon due notice and hearing and a showing of substantial change in condition; and if there are no minor children, the order may so state. The jurisdictional requirements of G.S. 50A-3 do apply in regard to a custody decree.

(b) Sums which have accrued and are due but unpaid under an existing order for support shall not be vacated or forgiven wholly or in part in any proceeding to enforce the order. Any portion of an accrued obligation as to which the court specifically finds as a fact that the defendant possessed neither the ability nor capacity with which to comply may by motion in the cause or by a separate action be reduced to judgment which shall, pursuant to G.S. 50-13.4 (f)(8), be a lien as other judgments, unless the court finds it unconscionable

by reason of the defendant's physical or mental disability. If the court finds that the defendant prospectively has the ability or capacity to satisfy this judgment through periodic payments, it may modify the support order to this effect.

(c) Unless otherwise agreed in writing or expressly provided in the decree, provisions for the support of a child are terminated by emancipation of the child or by other operation of law but not by the death of a parent obligated to support the child. When a parent obligated to pay support dies, the amount of support may be modified, revoked or changed to a lump sum payment, to the extent just and appropriate in the circumstances.

(d) Any outstanding support obligation of a deceased parent may be reduced to judgment and paid in the order of payment of claims of the fifth class set forth in Article 19 of Chapter 28 A.

(e) When an order for support of a minor child has been entered by a court of another state, a court of this State may, upon gaining jurisdiction, and upon a showing of changed circumstances, enter a new order for support which modifies or supersedes that order for support. Subject to the provisions of G.S. 50A-3, when an order for custody of a minor child has been entered by a court of another state, a court of this State may, upon gaining jurisdiction, and a showing of changed circumstances, enter a new order for custody which modifies or supersedes that order for support."

Sec. 2. This act shall become effective October 1, 1985.

SESSION 19 84 CSW1-5

INTRODUCED BY:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE LOCAL GOVERNMENTS TO IMPLEMENT AND COMPLY WITH MINORITY OR WOMEN'S BUSINESS ENTERPRISE REQUIREMENTS FOR LOCALLY FUNDED PROJECTS.

The General Assembly of North Carolina enacts:

Section 1. Article 3 of Chapter 160A of the North Carolina General Statutes is amended to add a new Section 160A-17.2 to read as follows:

"§160A-17.2. Compliance with Minority or Women's Business Plans.--Any board or governing body of any institution of any county, or other subdivision of the State, authorized to make contracts for that body to construct, expand, maintain and operate any project or facility or perform any function, may agree to and comply with minimum minority or women's business enterprise participation requirements to insure equal employment opportunities as established by such board or governing body in projects financed by public funds, by including such minimum requirements in the specifications for contracts to perform all or part of such projects and awarding bids pursuant to G.S. 143-129 and G.S. 143-131, if applicable, to the lowest

responsible bidder or bidders meeting these and any other specifications."

Sec. 2. G.S. 153A-445(a) is amended by adding subparagraph (8) to read as follows:

"(8) G.S. 160A-17.2. Compliance with Minority or Women's Business Plans."

Sec. 3. G.S. 160A-497 is amended by rewriting the catchline to read "Senior citizens programs and minority or women's business projects." and by designating the present language as subsection "(a)" and adding a new subsection "(b)" to read as follows:

"(b) Any board or governing body of any institution of any county or other subdivision of the State, authorized to make contracts for that body to construct, expand, maintain and operate any project or facility or perform any function, may agree to and comply with minimum minority or women's business enterprise participation requirements to insure equal employment opportunities as established by such board or governing body in projects financed by public funds, by including such minimum requirements in the specifications for contracts to perform all or part of such projects and awarding bids pursuant to G.S. 143-129, if applicable, to the lowest responsible bidder or bidders meeting these and any other specifications."

Sec. 4. There is appropriated from the General Fund to the Department of Administration the sum of one hundred thousand dollars ($100,000) for the 1985-86 fiscal

year to provide technical assistance to any governmental entity seeking to comply with the provisions of this act and to assist those governmental entities in monitoring their compliance.

Sec. 5. This act shall become effective July 1, 1985.

SESSION 19____

INTRODUCED BY:

Referred to:

A JOINT RESOLUTION TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO STUDY SEX DISCRIMINATION IN INSURANCE.

WHEREAS, inconsistencies appear when setting rates for life, annuity and pension insurance plans in that women are given one lifespan for premium purposes and another, different, lifespan for paying out benefits; and

WHEREAS, there is significant evidence to substantiate the position that women have shorter hospital stays than men, even when including stays for childbirth, yet women are charged up to twice as much as men for medical insurance; and

WHEREAS, insurance is one of the few remaining facets in American life where classification on the basis of sex is not only permitted but virtually mandated by insurance underwriting practices; and

WHEREAS, the theories that are presently employed to defend classifications based upon sex have previously been employed to defend classifications based upon race on the ground that such classifications were dictated by actuarial findings; and

WHEREAS, one of the most basic American principles holds that no individual should be considered merely as part of a racial, sexual, religious, or ethnic group, or treated differently because of his or her membership in such group; and

WHEREAS, no individual can ever overcome the stereotypes or "averages" of the actuarial group classifications that are based on race or sex; and

WHEREAS, insurance classification based on sex ignores individual risk characteristics and results in imperfect classification systems;

WHEREAS, the Legislative Research Study Committee on the Economic, Social and Legal Problems and Needs of Women which has submitted reports to the Legislative Research Commission since its creation has determined sex discrimination in insurance to be pervasive and recommends that sex discrimination in insurance be studied;

NOW, THEREFORE, be it resolved by the Senate, the House of Representatives concurring:

Section 1. The Legislative Research Commission may study sex discrimination in insurance.

Sec. 2. The Commission may report to the 1987 General Assembly and may submit an interim report to the 1986 General Assembly.

Sec. 3. This resolution is effective upon ratification.

83s-LJ-113

Public

S: Sen. Ken Harris

ST: Pay Inheritance Tax In Installment

A BILL TO BE ENTITLED AN ACT TO ALLOW CERTAIN BENEFICIARIES OF AN INTEREST IN A CLOSELY HELD BUSINESS TO PAY THE INHERITANCE TAX ON THE TRANSFER OF THE INTEREST IN INSTALLMENTS.

The General Assembly of North Carolina enacts:

Section 1. Article 1 of Chapter 105 is amended as follows:

(1) by adding a new section immediately following G.S. 105-16 to read:

"§105-16.1. Installment payment of tax on interest in closely held business.--(a) When an executor makes an election under Section 6166 of the Internal Revenue Code of 1954 as amended to pay part or all of the federal estate tax on the value of an interest in a closely held business, as defined in that section, in installments, the beneficiary of part or all of the property comprising this interest may elect to pay a proportionate part of the inheritance tax due on the transfer of that property under this Article in the number of installments selected by the executor for payment of the federal estate tax. Installment payments under this section are due on the same dates as installment payments of federal estate tax. Interest accrues on the amount of tax to be paid in installments at the rate

established by G.S. 105-241.1(i) of four percent (4%) from the date the tax would be due except for this section, and is payable when the installment is due. An election under this section shall be made within nine months from the date of death of the testator, intestate, grantor, donor, or vendor. Any installment payment or interest thereon that is accelerated under Section 6166 is likewise accelerated under this section. No penalty shall be assessed under G.S. 105-16 on the amount of tax paid in installments under this section.

(b) The Secretary of Revenue shall prescribe rules for the installment payment of any deficiency assessed under G.S. 105-25 that is attributable to an interest in a closely held business. These rules shall, to the extent possible, allow the beneficiary of the property comprising the interest to elect to pay the tax on the deficiency in installments when the executor elects to make installment payments of the federal estate tax on the deficiency under Section 6166."; and

(2) by deleting the word "All" at the beginning of the first sentence in G.S. 105-16 and inserting in lieu thereof the phrase "Except as provided in G.S. 105-16.1, all"; and

(3) deleting the words "after the death of the decedent" in the first sentence of G.S. 105-17 and inserting in lieu thereof the words "they become due".

Sec. 2. This act shall become effective July 1, 1985, and shall apply to the estates of decedents dying on or after that date.

SESSION 19 85
85W6-LA-3

INTRODUCED BY: Funds for Spouse Abuse Centers

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR SPOUSE ABUSE PROGRAMS.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Administration the sum of five hundred thousand dollars ($500,000) for the 1985-86 fiscal year to fund spouse abuse programs.

Sec. 2. The Secretary of Administration may promulgate rules to determine eligibility requirements for grants under Section 1 of this act.

Sec. This act shall become effective July 1, 1985.

SESSION 19____

INTRODUCED BY:

Referred to:

1 A JOINT RESOLUTION TO PERMIT THE CONTINUANCE OF THE WORK OF THE LEGISLATIVE
2 RESEARCH COMMISSION'S STUDY ON THE ECONOMIC, SOCIAL AND LEGAL PROBLEMS AND NEEDS
3 OF WOMEN AS BEGUN UNDER RESOLUTION 61 OF THE 1981 SESSION.

4 WHEREAS, the mandate that the Legislative Research Commission's Com-
5 mittee on the Economic, Social and Legal Problems and Needs of the Women of the
6 State of North Carolina study the "extent of the sex discriminatory effect of
7 common law, case law and administrative regulations" creates a task so great
8 that more time and resources are needed for the task to be completed, and

9 WHEREAS, women with comparable skills, experience and education are
10 paid, on an average, fifty-nine ($.59) cents for every one ($1.00) dollar a man
11 receives for performing the same job; and

12 WHEREAS, poverty in North Carolina is becoming increasingly feminized;
13 and

14 WHEREAS, women have special health needs in the areas of sex education
15 and counseling, as evidenced by the rising rate of teenage pregnancies, and in
16 the area of access to health care; and

17 WHEREAS, women who contribute significantly to the life and well-being
18 of the State of North Carolina and to the character and well-being of its child-
19 ren are finding their families' well-being jeopardized by their limited economic
20 resources available to the family; and

21 WHEREAS, the Legislative Research Study Committee on
22 the Economic, Social and Legal Problems and Needs of Women which
has submitted reports to the Legislative Research Commission
23 since its creation recommends that Women's Needs be given addi-
24 tional study time;

NOW, THEREFORE, be it resolved by the Senate, the House of Representatives concurring:

Section 1. The Legislative Research Commission may continue its study of the entire range of the economic, social and legal problems and needs of the women of the State of North Carolina.

Sec. 2. The Commission may report to the 1987 General Assembly and may submit an interim report to the 1986 General Assembly.

Sec. 3. This resolution is effective upon ratification.

A P P E N D I C E S

STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611

MEMBERSHIP OF THE
LEGISLATIVE RESEARCH COMMISSION
1983 - 1985

Senator W. Craig Lawing, Cochairman
Senator William Martin
Senator Helen Marvin
Senator William Staton
Senator Joseph Thomas
Senator Russell Walker

Speaker Liston B. Ramsey, Cochairman
Representative Chris Barker
Representative John Church
Representative Bruce Ethridge
Representative John Hunt
Representative Margaret Tennille

STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611

MEMBERSHIP OF THE
LEGISLATIVE RESEARCH STUDY COMMITTEE
ON
ECONOMIC, SOCIAL AND LEGAL PROBLEMS AND NEEDS OF WOMEN

Senator Helen R, Marvin, Cochairperson
Senator Rachel G. Gray
Senator William G. Hancock, Jr.
Senator Lura Tally

Representative Ruth M. Easterling, Cochairperson
Representative H. Parks Helms
Representative Mary L. Jarrell
Representative Walter B. Jones, Jr.

Mrs. Alice Wynne Gatsis, Public Member
Mrs. Nancy Jones, Public Member

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1983
RATIFIED BILL

CHAPTER 905
HOUSE BILL 1142

AN ACT AUTHORIZING STUDIES BY THE LEGISLATIVE RESEARCH COMMISSION AND BY THE COMMISSION ON CHILDREN WITH SPECIAL NEEDS AND MAKING TECHNICAL AMENDMENTS RELATING THERETO.

The General Assembly of North Carolina enacts:

Section 1. The Legislative Research Commission may study the topics listed below. Listed with each topic is the 1983 bill or resolution that originally proposed the study and the name of the sponsor. The Commission may consider the original bill or resolution in determining the nature, scope and aspects of the study. The topics are:

(1) Continuation of the Study of Revenue Laws (H.J.R. 16 - Lilley); and the ramifications, if enacted, of H.B. 746, Appraisal of Subdivided Tract (Auman) and H.B. 1250, No Intangible Tax/Income Surtax (Auman),

(2) Continuation of the Study on the Problems of the Aging (H.J.R. 44 - Economos; S.J.R. 16 - Gray),

(3) Continuation of the Study on Insurance Regulation (H.B. 63 - Seymour) and Insurance Laws and Regulation of Insurance Industry (H.B. 1243 - Hightower),

(4) Teaching of Computer Literacy in the Public Schools and Community Colleges (H.J.R. 191 - Berry) and the Continuation of Study of College Science Equipment (H.J.R. 898 - Enloe),

(5) Adequacy of State Management of Large-Scale Land Clearing and Peat Mining (H.J.R. 220 - Evans),

(6) Adequacy of Existing Water Pollution Control Programs to Improve and Protect Water Quality in the State (H.J.R. 232 - Evans),

(7) Marketing of Seafood by Fishermen (H.J.R. 896 - Chapin),

(8) Continuation of Study on the Economic Social and Legal Problems and Needs of Women (H.J.R. 904 - Easterling; S.J.R. 329 - Marvin),

(9) Regulation of Nonpublic and Public Post-Secondary Educational Institutions (Joint Resolution 33 (H.J.R. 988 - Thomas)),

(10) Readable Insurance Policies (H.B. 1069 - Ballance),

(11) State Government Risk Management (H.J.R. 1083 - Seymour),

(12) Biotechnology Development (H.B. 1122 - Etheridge, Bobby and H.J.R. 1282 - Etheridge, Bobby; S.J.R. 620 - Hancock),

(13) Continuation of Study of the State's Interest in Railroad Property (H.B. 1142 - Hunt),

(14) Restricting Driving by Minors (H.J.R. 1149 - J. Jordan),

(15) Health Professionals (H.J.R. 1194 - Diamont),
(16) Water Quality in Haw River and B. Everett Jordan Reservoir (H.J.R. 1257 - Hackney),
(17) Regulation of Alcoholic Beverages on State Property (H.J.R. 1292 - Clark),
(18) Disposition of Animals by Animal Shelters and Pounds (H.J.R. 1309 - Stamey),
(19) Boards, Commissions, and Councils in the Executive Branch (H.J.R. 1321 - Hunt),
(20) Feasibility of a Food Distribution Facility on Dix Farm Property in Raleigh (H.J.R. 1334 - James),
(21) Implementation of Identification and Labelling of Toxic or Hazardous Substances as Proposed by House Bill 1339 (Payne),
(22) Water Resources Issues Involving North Carolina and Virginia (H.J.R. 1404 - Church),
(23) Investment Guidelines for Eleemosynary Institutions and Funds (H.J.R. 1423 - Musselwhite),
(24) Child Support Collection Procedures (H.J.R. 1439 - Easterling; S.J.R. 675 - Woodard, W.),
(25) Contamination of Unpackaged Foods (H.J.R. 1441 - Stamey),
(26) Legislative Communications Confidentiality (H.R. 1461 - Miller),
(27) Continuation of the Study of Information Processing Resources in State Government (S.J.R. 44 - Alford),
(28) Regulation and Taxation of Banks, Savings and Loans and Credit Unions (S.J.R. 381 - Edwards of Caldwell),
(29) District Attorney Standards (S.B. 496 - Hipps),
(30) Cost of Providing Attorneys and Guardians Ad Litem to Indigents (S.J.R. 643 - Swain),
(31) Public Health Facility Laws (S.J.R. 656 - Hancock), and Review of Certificate of Need Procedures (H.J.R. 1294 - Economos),
(32) Life Care Arrangements (S.J.R. 657 - Hancock),
(33) Worthless Checks (S.J.R. 661 - Thomas of Henderson),
(34) State-owned Rental Housing as contained in Section 2 of this act,
(35) User Fees at State-owned Facilities, as contained in Section 3 of this act,
(36) Motorboat Titles and Liability Insurance, as contained in Section 4 of this act,
(37) Motor Vehicle Inspection Program, as contained in Section 5 of this act,
(38) Continuation of the Study of Day Care (H.J.R. 594 - Colton),
(39) Continuation of the Study on Twelfth Grade (H.J.R. 753 - Mauney; S.J.R. 343 - Tally),
(40) Procedure for Incorporating Municipalities (S.J.R. 445 - J. Edwards),
(41) Solar Law (S.J.R. 670 - Walker),

(42) Statutory Liens (S.J.R. 680 - Edwards of Caldwell),

(43) In-service Training of Teachers in North Carolina History, the American Economic System, Free Enterprise Concepts, and Legal Topics (H.B. 1281 - Foster).

Sec. 2. State-owned Rental Housing. (a) The Legislative Research Commission is authorized to conduct a study of all State-owned rental housing during the 1983-84 fiscal year and to recommend a comprehensive statewide rental policy, to be administered by the Department of Administration, to the 1984 Session of the General Assembly. This study shall be conducted in consultation with the department that owns the housing. In conducting this study, the Commission shall first determine the amount of nonessential rental housing currently owned by the State using the following criteria: The geographic location of the State property on which the housing is located and its proximity to alternative privately owned housing; the amount of time that would be required for employees to arrive at the State property on which housing is now located in the event of an emergency; the amount of security necessary for State property that is now being provided by State employees living in State-owned rental housing; and any other benefits to the State for employees to occupy said housing: The Commission shall recommend the disposition of nonessential rental property by one of three means: sale of the housing and property on which it is located; sale of the housing unit only with the stipulation that the house be removed from State property; and conversion of the housing unit to an alternative use.

(b) It is the policy of the State of North Carolina that the State provide rental housing only in cases in which an essential State purpose is served. Nothing in these sections shall be construed to mean that State departments may not continue to divest themselves of nonessential rental housing during the course of the Legislative Research Commission study.

Sec. 3. User Fees. The Legislative Research Commission is authorized to study the potential for user charges and admission fees at State-owned cultural, recreational and historical facilities. The study may cover museums, historic sites, marine resource centers as well as other facilities. The Legislative Research Commission may make an interim report to the 1984 Regular Session of the 1983 General Assembly and may make a final report to the 1985 General Assembly.

Sec. 4. Motorboat Titles and Liability Insurance. The Legislative Research Commission of the General Assembly is authorized to study the issue of motorboat titles and liability insurance. The study may include start-up and administrative costs, potential revenues, phase-in plans, financial institution requirements, etc. The Commission may report to the 1984 Session.

Sec. 5. Motor Vehicle Inspection Program Study. The Legislative Research Commission may study the effectiveness of the motor vehicle inspection program required by Article 3A of Chapter 20 of the General Statutes. The study may consider, among other aspects, the impact on highway safety, cost

effectiveness of the program, and probable impact of eliminating part or all of the program.

Sec. 6. For each of the topics the Legislative Research Commission decides to study, the Commission may report its findings, together with any recommended legislation, to the 1984 Session of the General Assembly or to the 1985 General Assembly, or the Commission may make an interim report to the 1984 Session and a final report to the 1985 General Assembly.

Sec. 7. G.S. 120-30.17 is amended by adding two new subsections to read:

"(7) to obtain information and data from all State officers, agents, agencies and departments, while in discharge of its duty, pursuant to the provisions of G.S. 120-19 as if it were a committee of the General Assembly.

(8) to call witnesses and compel testimony relevant to any matter properly before the Commission or any of its committees. The provisions of G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Commission and its committees as if each were a joint committee of the General Assembly. In addition to the other signatures required for the issuance of a subpoena under this subsection, the subpoena shall also be signed by the members of the Commission or of its committee who vote for the issuance of the subpoena."

Sec. 8. Section 1 of Chapter 1372, Session Laws of 1981, is amended by deleting "as authorized in Section 2 of Resolution 61, Session Laws of 1981".

Sec. 9. Section 1(3) of Chapter 1372, Session Laws of 1981, is amended by deleting "1983 Session", and inserting in lieu thereof "1983 and 1985 Sessions".

Sec. 10. G.S. 124-5 is amended by deleting "June 1, 1983", and inserting in lieu thereof "the date of convening of the 1985 Regular Session of the General Assembly".

Sec. 11. The last sentence of G.S. 124-5 is amended by deleting "11-month period", and inserting in lieu thereof "period ending on convening of the 1985 Regular Session."

Sec. 12. Deaf/Blind School Move--Commission on Children with Special Needs. (a) The Commission on Children with Special Needs, established by Article 12 of Chapter 120 of the General Statutes, may study the issue of transferring the State schools for the Deaf and the Governor Morehead School for the Blind to the jurisdiction of the State Board of Education.

(b) The Commission may make a final report to the Second Session of the 1983 General Assembly. (H.J.R. 246 - Penner)

Sec. 13. Bills and Resolution References. The listing of the original bill or resolution in this act is for references purposes only and shall not be deemed to have incorporated by reference any of the substantive provisions contained in the original bill or resolution.

Sec. 14. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 21st day of July, 1983.

JAMES C. GREEN

James C. Green
President of the Senate

LISTON B. RAMSEY

Liston B. Ramsey
Speaker of the House of Representatives

APPENDIX D

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1983

H 2

HOUSE JOINT RESOLUTION 904*
Second Edition Engrossed 4/28/83

Sponsors: Representatives Easterling, Colton; Adams, Ballance, Barnes, Berry, Black, Blue, Bowen, Brennan, Cook, N.J. Crawford,*

Referred to: Rules and Operation of the House.

April 21, 1983

A JOINT RESOLUTION TO PERMIT THE CONTINUANCE OF THE WORK OF THE LEGISLATIVE RESEARCH COMMISSION'S STUDY ON THE ECONOMIC, SOCIAL AND LEGAL PROBLEMS AND NEEDS OF WOMEN [H-~~XX BEGUN UNDER RESOLUTION 81 OF THE 1981 SESSION~~].

Whereas, the mandate that the Legislative Research Commission's Committee on the Economic, Social and Legal Problems and Needs of the Women of the State of North Carolina study the "extent of the sex discriminatory effect of common law, case law and administrative regulations" creates a task so great that more time and resources are needed for the task to be completed; and

Whereas, women with comparable skills, experience and education are paid on an average, fifty-nine cents (59¢) for every one dollar ($1.00) a man receives for performing the same job; and

Whereas, poverty in North Carolina is becoming increasingly feminized; and

Whereas, women have special health needs in the areas of sex education and counseling, as evidenced by the rising rate of teenage pregnancies, and in the area of access to health care; and

Whereas, women who contribute significantly to the life and well-being of the State of North Carolina and to the character and well-being of its children are finding their families' well-being jeopardized by the limited economic resources available to the family; and

Whereas, the Legislative Research Study Committee on the Economic, Social and Legal Problems and Needs of Women that has made an interim report to the 1981 Session (1982 Short Session) and a final report to the 1983 Session, recommends that women's needs be given additional study time;

Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

Section 1. The Legislative Research Commission may continue its study of the entire range of the economic, social and legal problems and needs of the women of the State of North Carolina.

Sec. 2. The Commission may report to the 1985 General Assembly and may submit an interim report to the 1984 General Assembly.

Sec. 3. This resolution is effective upon ratification.

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*Additional Sponsors: Economos, Edwards, Fenner, Foster, Fussell, Greenwood, Hackney, Hayden, Helms, Holt, Huskins, Jarrell, Jeralds, Jones, Keesee-Forrester, Kennedy, Lambeth, Lancaster, Lee, Lilley, McAlister, McDowell, Miller, Musselwhite, Pulley, Seymour, Slaughter, Spaulding, Spoon, Tennille, Thomas, Tyson, Warren, Watkins, Womble, Charles Woodard, Wright, Hauser.

SOURCE: Office of Child Support Enforcement, august 1984

(ratio of collections to total administrative costs)

The performance of child support programs from state to state is quite diverse,* showing there is much room for improvement. In terms of both AFDC* and non-AFDC collections, it is evident that, on a national average, there are $2.93 returned in support payments for every dollar spent administering the program. And, in some states, that ratio is much higher. The following statistics illustrate how the program varies in effectiveness, state-by-state.

● County Administered

* Collections Above $3.00

	AFDC Collections	Non-AFDC Collections	Total Collections
National Average	$1.27	$1.66	$2.93
I States At or Above the National Average for Both AFDC and Non AFDC Collections			
Michigan	$2.36	$4.26	$6.62 *
Maryland	1.70	3.02	4.72 *
II States At or Above the National Average for AFDC Collections Only			
Iowa	$3.28	$1.63	$4.91 *
Maine	2.86	0.62	3.48 *
Vermont	2.74	0.22	2.96
Indiana	2.61	0.46	3.07 *
Wyoming	2.12	0.60	2.72
South Carolina	2.08	0.50	2.58
Massachusetts	2.04	1.61	3.65 *
Rhode Island	1.97	1.55	3.52 *
Wisconsin	1.92	0.79	2.71
South Dakota	1.81	0.57	2.38
Idaho	1.77	0.41	2.18
Utah	1.75	0.30	2.05
Connecticut	1.73	1.57	3.30 *
● Ohio	1.68	0.08	1.76
Montana	1.63	0.51	2.14
Virginia	1.61	0.26	1.87
Washington	1.56	0.89	2.45
● North Dakota	1.55	0.55	2.10
Mississippi	1.55	0.11	1.66
● North Carolina	1.53	0.98	2.51
Kansas	1.50	0.40	1.90
● Minnesota	1.48	1.11	2.59
Georgia	1.38	0.26	1.64
West Virginia	1.30	0.05	1.35
● Missouri	1.27	0.73	2.00

	AFDC Collections	Non-AFDC Collections	Total Collections
National Average	$1.27	$1.66	$2.93
III. States At or Above the National Average for Non-AFDC Collections Only			
Puerto Rico	$0.28	$9.32	$9.60 *
Pennsylvania	1.10	5.55	6.65 *
Nebraska	1.12	4.61	5.73 *
New Hampshire	1.21	4.09	5.30 *
● New Jersey	1.14	2.83	3.97 *
Oregon	1.15	2.10	3.25 *
Alaska	0.44	1.97	2.41
Tennessee	0.79	1.92	2.71
Delaware	0.69	1.76	2.45
Kentucky	0.82	1.75	2.57
Virgin Islands	0.44	1.70	2.14
IV. States Below the National Average for Both AFDC and Non-AFDC			
Hawaii	$1.21	$1.51	$2.72
● Colorado	1.17	0.98	2.15
Louisiana	0.75	1.31	2.06
● New York	0.79	1.22	2.01
● California	1.08	0.92	2.00
Illinois	1.16	0.80	1.96
Arizona	0.25	1.54	1.79
Arkansas	1.01	0.62	1.63
Nevada	0.53	1.09	1.62
New Mexico	0.90	0.53	1.43
Guam	0.82	0.42	1.24
Florida	0.66	0.55	1.21
Texas	0.72	0.47	1.19
● Alabama	0.85	0.10	0.95
Oklahoma	0.60	0.26	0.86
Dist. of Columbia	0.49	0.22	0.71

APPENDIX E

* Aid to families with dependent children

APPENDIX F

25-Oct-84

STATEWIDE
CHILD SUPPORT COLLECTIONS
AND
IMPACT OF LEGISLATION
THROUGH SEPTEMBER, 1984

County: Total	1982-83	1983-84	Increase	Percent
October	6,959,496	8,632,779	1,673,283	24.04%
November	7,174,989	8,872,929	1,697,940	23.66%
December	7,134,601	8,770,260	1,635,660	22.93%
January	7,085,257	8,946,895	1,861,638	26.27%
February	6,899,134	8,941,897	2,042,763	29.61%
March	7,962,893	9,677,186	1,714,293	21.53%
April	7,492,849	9,545,180	2,052,332	27.39%
May	7,883,932	10,083,195	2,199,263	27.90%
June	7,887,729	9,714,373	1,826,645	23.16%
July	7,334,127	9,877,869	2,543,742	34.68%
August	8,379,288	10,448,230	2,068,942	24.69%
September	8,028,495	9,432,956	1,404,460	17.49%
Total	$90,222,789	$112,943,749	$22,720,960	25.18%
Less 13% of 82 Collection			$11,728,963	13.00%
Impact of Child Support Legislation			$10,991,998	12.18%
Percentage Impact				12.18%

APPENDIX G

CHILD SUPPORT COLLECTIONS: YEAR-TO-DATE SUMMARY THROUGH SEPTEMBER 1984
ALPHABETICAL LISTING

		Oct-Sept Y/T/D % INCREASE	Oct-Sept Y/T/D TOTAL 82/83	Oct-Sept Y/T/D TOTAL 83/84
1	Alamance	31.88%	$2,357,157.32	$3,108,605.56
2	Alexander	29.64%	$315,712.71	$409,279.59
3	Alleghany	16.46%	$119,390.89	$139,037.03
4	Anson	42.63%	$349,832.11	$498,975.27
5	Ashe	36.30%	$165,980.36	$226,226.24
6	Avery	27.51%	$131,436.42	$167,589.27
7	Beaufort	11.15%	$716,899.83	$796,852.31
8	Bertie	12.33%	$500,087.05	$561,729.37
9	Bladen	28.95%	$476,939.22	$615,008.45
10	Brunswick	33.87%	$570,170.34	$763,304.46
11	Buncombe	17.29%	$3,201,035.90	$3,754,378.64
12	Burke	30.60%	$748,661.66	$977,749.48
13	Cabarrus	19.63%	$1,683,744.50	$2,014,208.85
14	Caldwell	32.54%	$736,418.74	$976,043.34
15	Camden	20.22%	$52,376.75	$62,968.31
16	Carteret	11.45%	$833,169.64	$928,592.02
17	Caswell	60.11%	$244,102.20	$390,840.00
18	Catawba	36.46%	$1,524,828.77	$2,080,851.58
19	Chatham	30.62%	$208,007.83	$271,706.70
20	Cherokee	56.17%	$133,055.93	$207,794.51
21	Chowan	28.50%	$224,570.57	$288,565.53
22	Clay	73.40%	$39,402.55	$68,325.54
23	Cleveland	20.74%	$1,280,922.34	$1,546,524.32
24	Columbus	19.01%	$922,954.44	$1,098,396.29
25	Craven	16.97%	$1,355,986.00	$1,586,120.09
26	Cumberland	28.78%	$3,430,060.99	$4,417,185.01
27	Currituck	19.45%	$118,020.14	$140,979.51
28	Dare	26.53%	$160,164.84	$202,690.26
29	Davidson	26.35%	$1,619,319.36	$2,046,005.44
30	Davie	34.92%	$320,088.92	$431,861.88
31	Duplin	20.09%	$553,166.93	$664,321.67
32	Durham	32.91%	$2,120,003.12	$2,817,617.45
33	Edgecombe	31.83%	$1,014,380.73	$1,337,244.91
34	Forsyth	17.66%	$4,290,345.68	$5,048,212.84
35	Franklin	22.31%	$550,952.88	$673,860.35
36	Gaston	29.59%	$2,651,541.75	$3,436,029.35
37	Gates	41.70%	$59,180.00	$83,855.96
38	Graham	20.28%	$61,489.60	$73,962.29
39	Granville	26.80%	$234,341.12	$297,150.63
40	Greene	24.63%	$217,347.26	$270,878.51
41	Guilford	26.51%	$6,658,296.83	$8,423,398.48
42	Halifax	41.34%	$884,411.77	$1,249,990.23
43	Harnett	31.01%	$724,076.76	$948,640.86
44	Haywood	32.46%	$521,260.39	$690,448.64
45	Henderson	18.90%	$619,847.12	$737,022.96
46	Hertford	19.80%	$581,838.00	$697,058.84
47	Hoke	18.52%	$397,584.87	$471,199.17
48	Hyde	9.91%	$73,007.28	$80,239.41
49	Iredell	27.44%	$1,271,836.99	$1,620,878.92
50	Jackson	33.35%	$167,014.41	$222,717.21
51	Johnston	29.58%	$991,784.69	$1,285,196.12

CHILD SUPPORT COLLECTIONS: YEAR-TO-DATE SUMMARY THROUGH SEPTEMBER 1984
ALPHABETICAL LISTING

	Oct-Sept Y/T/D % INCREASE	Oct-Sept Y/T/D TOTAL 82/83	Oct-Sept Y/T/D TOTAL 83/84
52 Jones	14.76%	$201,602.66	$231,353.32
53 Lee	39.41%	$630,645.12	$879,205.37
54 Lenoir	14.52%	$1,315,834.00	$1,506,910.60
55 Lincoln	20.88%	$570,545.57	$689,670.03
56 Macon	25.03%	$156,603.37	$195,796.35
57 Madison	34.06%	$130,251.49	$174,616.38
58 Martin	25.53%	$524,235.77	$658,096.12
59 McDowell	28.90%	$418,707.91	$539,701.90
60 Mecklenburg	27.81%	$5,574,503.70	$7,124,954.22
61 Mitchell	26.68%	$106,008.37	$134,289.78
62 Montgomery	25.26%	$280,586.95	$351,469.98
63 Moore	39.80%	$601,538.56	$840,979.16
64 Nash	26.05%	$936,575.94	$1,180,578.55
65 New Hanover	17.38%	$2,108,295.74	$2,474,788.64
66 Northampton	23.50%	$347,793.72	$429,513.74
67 Onslow	26.14%	$1,472,845.45	$1,857,848.30
68 Orange	39.21%	$647,001.77	$900,721.69
69 Pamlico	40.81%	$144,214.15	$203,063.31
70 Pasquotank	34.75%	$343,477.91	$462,840.66
71 Pender	28.61%	$349,371.16	$449,309.61
72 Perquimans	31.46%	$93,658.37	$123,125.98
73 Person	20.60%	$418,835.10	$505,097.07
74 Pitt	22.52%	$1,320,948.07	$1,618,471.32
75 Polk	18.64%	$105,952.02	$125,703.68
76 Randolph	14.59%	$1,299,318.94	$1,488,945.46
77 Richmond	16.48%	$936,058.54	$1,090,351.35
78 Robeson	19.99%	$2,263,137.65	$2,715,544.14
79 Rockingham	26.87%	$1,577,445.47	$2,001,383.68
80 Rowan	15.20%	$1,434,304.79	$1,652,352.64
81 Rutherford	32.01%	$543,426.10	$717,389.87
82 Sampson	27.72%	$811,321.49	$1,036,256.07
83 Scotland	27.12%	$788,643.73	$1,002,561.33
84 Stanley	33.16%	$586,337.47	$780,787.03
85 Stokes	32.67%	$258,440.12	$342,870.68
86 Surry	28.08%	$635,641.18	$814,111.25
87 Swain	26.45%	$154,156.67	$194,932.64
88 Transylvania	13.67%	$383,300.90	$435,693.69
89 Tyrell	33.80%	$36,766.55	$49,192.19
90 Union	44.56%	$961,540.52	$1,389,962.15
91 Vance	26.03%	$601,523.07	$758,115.23
92 Wake	22.40%	$4,088,353.50	$5,003,952.33
93 Warren	16.12%	$396,889.60	$461,050.28
94 Washington	7.20%	$365,298.24	$391,603.59
95 Watauga	32.59%	$273,804.84	$363,039.13
96 Wayne	23.32%	$1,146,751.65	$1,784,167.64
97 Wilkes	20.02%	$763,627.45	$916,494.90
98 Wilson	22.30%	$1,152,376.69	$1,414,020.84
99 Yadkin	15.18%	$365,817.40	$421,361.23
100 Yancey	32.31%	$114,267.35	$151,184.70
Total	25.18%	$90,222,789.28	$112,943,749.45

APPENDIX H

CHILD SUPPORT COLLECTIONS: YEAR-TO-DATE SUMMARY THROUGH SEPTEMBER 1984
RANKED BY PERCENT INCREASE

		Oct-Sept Y/T/D % INCREASE	Oct-Sept Y/T/D TOTAL 82/83	Oct-Sept Y/T/D TOTAL 83/84
1	Clay	73.40%	$39,402.55	$68,325.54
2	Caswell	60.11%	$244,102.20	$390,840.00
3	Cherokee	56.17%	$133,055.93	$207,794.51
4	Union	44.56%	$961,540.52	$1,389,962.15
5	Anson	42.63%	$349,832.11	$498,975.27
6	Gates	41.70%	$59,180.00	$83,855.96
7	Halifax	41.34%	$884,411.77	$1,249,990.23
8	Pamlico	40.81%	$144,214.15	$203,063.31
9	Moore	39.80%	$601,538.56	$840,979.16
10	Lee	39.41%	$630,645.12	$879,205.37
11	Orange	39.21%	$647,001.77	$900,721.69
12	Catawba	36.46%	$1,524,828.77	$2,080,851.58
13	Ashe	36.30%	$165,980.36	$226,226.24
14	Davie	34.92%	$320,088.92	$431,861.88
15	Pasquatank	34.75%	$343,477.91	$462,840.66
16	Madison	34.06%	$130,251.49	$174,616.38
17	Brunswick	33.87%	$570,170.34	$763,304.46
18	Tyrell	33.80%	$36,766.55	$49,192.19
19	Jackson	33.35%	$167,014.41	$222,717.21
20	Stanley	33.16%	$586,337.47	$780,787.03
21	Durham	32.91%	$2,120,003.12	$2,817,617.45
22	Stokes	32.67%	$258,440.12	$342,870.68
23	Watauga	32.59%	$273,804.84	$363,039.13
24	Caldwell	32.54%	$736,418.74	$976,043.34
25	Haywood	32.46%	$521,260.39	$690,448.64
26	Yancey	32.31%	$114,267.35	$151,184.70
27	Rutherford	32.01%	$543,426.10	$717,389.87
28	Alamance	31.88%	$2,357,157.32	$3,108,605.56
29	Edgecombe	31.83%	$1,014,380.73	$1,337,244.91
30	Perquimans	31.46%	$93,658.37	$123,125.98
31	Harnett	31.01%	$724,076.76	$948,640.86
32	Chatham	30.62%	$208,007.83	$271,706.70
33	Burke	30.60%	$748,661.66	$977,749.48
34	Alexander	29.64%	$315,712.71	$409,279.59
35	Gaston	29.59%	$2,651,541.75	$3,436,029.35
36	Johnston	29.58%	$991,784.69	$1,285,196.12
37	Bladen	28.95%	$476,939.22	$615,008.45
38	Hoke	28.90%	$418,707.91	$539,701.90
39	Cumberland	28.78%	$3,430,060.99	$4,417,185.01
40	Pender	28.61%	$349,371.16	$449,309.61
41	Chowan	28.50%	$224,570.57	$288,565.53
42	Surry	28.08%	$635,641.18	$814,111.25
43	Mecklenburg	27.81%	$5,574,503.70	$7,124,954.22
44	Sampson	27.72%	$811,321.49	$1,036,256.07
45	Avery	27.51%	$131,436.42	$167,589.27
46	Iredell	27.44%	$1,271,836.99	$1,620,878.92
47	Scotland	27.12%	$788,643.73	$1,002,561.33
48	Rockingham	26.87%	$1,577,445.47	$2,001,383.68
49	Granville	26.80%	$234,341.12	$297,150.63
50	Mitchell	26.68%	$106,008.37	$134,289.78
51	Dare	26.55%	$160,164.84	$202,690.26

CHILD SUPPORT COLLECTIONS: YEAR-TO-DATE SUMMARY THROUGH SEPTEMBER 1984
RANKED BY PERCENT INCREASE

		Oct-Sept Y/T/D % INCREASE	Oct-Sept Y/T/D TOTAL 82/83	Oct-Sept Y/T/D TOTAL 83/84
52	Guilford	26.51%	$6,658,296.83	$8,423,398.48
53	Swain	26.45%	$154,156.67	$194,932.64
54	Davidson	26.35%	$1,619,319.36	$2,046,005.44
55	Onslow	26.14%	$1,472,845.45	$1,857,848.30
56	Nash	26.05%	$936,575.94	$1,180,578.55
57	Vance	26.03%	$601,523.07	$758,115.23
58	Martin	25.53%	$524,235.77	$658,096.12
59	Montgomery	25.26%	$280,586.95	$351,469.98
60	Macon	25.03%	$156,603.37	$195,796.35
61	Greene	24.63%	$217,347.26	$270,878.51
62	Northampton	23.50%	$347,793.72	$429,513.74
63	Wayne	23.32%	$1,446,751.65	$1,784,167.64
64	Wilson	22.70%	$1,152,376.69	$1,414,020.84
65	Pitt	22.52%	$1,320,948.07	$1,618,471.32
66	Wake	22.40%	$4,088,353.50	$5,003,952.33
67	Franklin	22.31%	$550,952.88	$673,860.35
68	Lincoln	20.88%	$570,545.57	$689,670.03
69	Cleveland	20.74%	$1,280,922.34	$1,546,524.32
70	Person	20.60%	$418,835.10	$505,097.07
71	Graham	20.28%	$61,489.60	$73,962.29
72	Camden	20.22%	$52,376.75	$62,968.31
73	Duplin	20.09%	$553,166.93	$664,321.67
74	Wilkes	20.02%	$763,627.45	$916,494.90
75	Robeson	19.90%	$2,263,137.65	$2,715,544.14
76	Hertford	19.80%	$581,838.00	$697,058.84
77	Cabarrus	19.63%	$1,683,744.50	$2,014,208.85
78	Currituck	19.45%	$118,020.14	$140,979.51
79	Columbus	19.01%	$922,954.44	$1,098,396.29
80	Henderson	18.90%	$619,847.12	$737,022.96
81	Polk	18.64%	$105,952.02	$125,703.68
82	Hoke	18.52%	$397,584.87	$471,199.17
83	Forsyth	17.66%	$4,290,345.68	$5,048,212.84
84	New Hanover	17.38%	$2,108,295.74	$2,474,788.64
85	Buncombe	17.29%	$3,201,035.90	$3,754,378.64
86	Craven	16.97%	$1,355,986.00	$1,586,120.09
87	Richmond	16.40%	$936,058.54	$1,090,351.35
88	Alleghany	16.46%	$119,390.89	$139,037.03
89	Warren	16.17%	$396,889.60	$461,050.28
90	Rowan	15.20%	$1,434,304.79	$1,652,352.64
91	Yadkin	15.18%	$365,817.40	$421,361.23
92	Jones	14.76%	$201,602.66	$231,353.32
93	Randolph	14.59%	$1,299,318.94	$1,488,945.46
94	Lenoir	14.52%	$1,315,834.00	$1,506,910.60
95	Transylvania	13.67%	$383,300.90	$435,693.69
96	Bertie	12.33%	$500,087.05	$561,729.37
97	Carteret	11.45%	$833,169.64	$928,592.02
98	Beaufort	11.15%	$716,899.83	$796,852.31
99	Hyde	9.91%	$73,007.28	$80,239.41
100	Washington	7.20%	$365,298.24	$391,603.59
	Total	25.18%	$90,222,789.28	$112,943,749.45

APPENDIX I

TENTATIVE SCHEDULE FOR CONVERSION *

AUTOMATED CHILD SUPPORT

WITH CASH REGISTER SYSTEMS

COUNTY	CONVERSION MANUAL (WILL BE) SENT
1 Durham	May 14, 1984 (Pilot Site)
2 Buncombe	September 5, 1984
3 Cumberland	September 5, 1984
4 Forsyth	September 5, 1984
5 Gaston	September 5, 1984
6 Guilford	September 5, 1984
7 Mecklenburg	September 5, 1984
8 Wake	September 5, 1984
9 Cleveland	February 28, 1985
10 Davidson	February 28, 1985
11 Lenoir	February 28, 1985
12 New Hanover	February 28, 1985
13 Robeson	February 28, 1985
14 Rockingham	February 28, 1985
15 Wayne	February 28, 1985
16 Alamance	June 28, 1985
17 Burke	June 28, 1985
18 Cabarrus	June 28, 1985
19 Catawba	June 28, 1985
20 Craven	June 28, 1985
21 Halifax	June 28, 1985
22 Onslow	June 28, 1985
23 Rowan	June 28, 1985
24 Wilson	June 28, 1985
25 Iredell	December, 1985
26 Randolph	December, 1985
27 Nash	December, 1985

*This schedule dependent upon equipment installation and software development schedule.

11/27/84

APPENDIX J

COUNTIES SCHEDULED

FOR

CASH REGISTER SYSTEM ONLY

1 Beaufort
2 Granville
3 Haywood
4 McDowell
5 Surry
6 Union
7 Vance
6 Yadkin

EQUIPMENT ORDER DATE: November 28, 1984

STATE OF NORTH CAROLINA

DEPARTMENT OF HUMAN RESOURCES

DIVISION OF SOCIAL SERVICES

CHILD SUPPORT ENFORCEMENT SECTION

441/443 N HARRINGTON ST. RALEIGH 27603-1393

JAMES B HUNT, JR.
GOVERNOR

SARAH T. MORROW M D, M P H
SECRETARY
DEPT. HUMAN RESOURCES

JOHN M. SYRIA
DIRECTOR

IN REPLY REFER TO CODE PIV-D

November 16, 1984

MEMORANDUM:

TO: Ann Christian

FROM: Susan C. Smith, Chief
Child Support Enforcement SCS

SUBJECT: Wisconsin Child Support Initiative

Attached is a copy of the Wisconsin Child Support Initiative which includes their standard for determining child support obligations, which you recently requested.

If I can assist you further, please let me know.

SCS:jm

Attachment

FEB 1 7 1984

THE WISCONSIN CHILD SUPPORT INITIATIVE

Chapter 27, Laws of 1983, created several changes in Wisconsin laws affecting the establishment and enforcement of child support obligations. In part these changes: 1) allow the court to require immediate payroll withholding upon entry of the order in up to ten pilot counties; and 2) permit the court to use a normative standard, based upon a percentage of income, as the basis for ordering support.

These changes in law are a result of growing public concern related to four major issues:

1. The divorce rate has tripled in Wisconsin in the last fifteen years, resulting in an increase of thousands of children being raised in single-parent households.

2. While parental responsibility for support of children is a fundamental expectation in our society, it is estimated that, in Wisconsin, 57% of children with an absent parent receive no financial support, and 25% with a court order of child support receive nothing. Many absent parents make late payments, or pay less than the amount ordered.

3. The lack of fiancial support of children by absent parents causes dependency on government assistance programs that are both costly to the taxpayer and debilitating to the custodial parent; and

4. There is considerable disparity and lack of uniformity in the amount of orders for child support throughout the state. This often results in real or perceived inequity by both the custodial and non-custodial parent.

The goals of the Initiative are to: 1) assure a guaranteed minimal level of support for children with an absent parent; 2) to affirm the responsibility of parents to support their children; 3) establish a child support system that is equitable, efficient and administratively feasible, and 4) reduce the need for dependency on government support for children and their custodial parents.

1. Automatic Payroll Withholding

Section 767.395(5)(a)1.,Wis. Stats. authorizes the Department to enter into written agreements with up to ten (10) counties to require the use of immediately effective wage assignments for child support obligations, unless a payer establishes that extraordinary circumstances beyond his or her control prevent fulfillment of the child support obligation or provide sufficient security for payment under the child support order. The Department is further required to submit a report to the legislature of the cost-effectiveness and efficiency of immediately effective wage assignments for child support obligations in the counties with which the Department entered into written agreements.

This payroll withholding procedure was designed as an enforcement tool to insure child support payments from persons having a source of periodic income. Wisconsin has had a mandatory income assignment law since 1978, and when used, has proven to be an effective mechanism for enforcing child support collections. However, income assignments are often executed only after considerable delay, and in some cases, not at all due to administrative problems associated with monitoring the delinquency period. The Initiative requires that the payroll withholding will be automatically initiated by the employer, eliminates any delinquency requirement, thus directly linking the source of income to the children entitled to this economic support.

Percentage of Income Standard

Section 767.395(3) authorizes the Department to adopt a standard which may be used by courts for determining a child support obligation based upon a percentage of the gross income and assets of either or both parents. Section 767.23(1)(c), 767.25(1) and 767.51(4) permit support orders to be expressed as a percentage of income or as a fixed sum. This standard establishes the cost of maintaining a child as an equivalent to that percentage of the family income and disposable assets that a parent would share with children in his or her custody. Therefore, under the new law, if the court elects to apply the standard, the method of calculating the paying parent's obligation is based solely upon that percentage rate.

Interest in the use of a standard is primarily a result of the serious disparity in the current amounts of child support orders statewide. For example, one study of child support orders in sixteen counties in Wisconsin show a range from 0% to 60% of gross income for award levels for families with one child.

This standard is expressed as the best estimate of the amount of income now spent on children in an intact family, and represents a balance between three major concerns: a) the right of children to receive adequate support from parents, (b) the reduction or elimination of dependence on government support programs; and c) the absent parent's ability to maintain a decent standard of living while fulfilling his or her responsibility to support minor children. The percentages to be utilized are:

17% of the parent's income for one child
25% of the parent's income for two children
29% of the parent's income for three children
31% of the parent's income for four children
34% of the parent's income for five or more children

The standard may be used for any temporary or final order for child support in any action affecting family. When used to calculate family support, the amount determined under the standard must be increased by the amount necessary to provide a net family support payment to the family after state and federal income taxes are paid, of at least the amount of a child support payment under the standard.

The income available for child support under the standard is gross income for employed persons and adjusted gross income (as found on federal tax forms) plus any depreciation (as claimed on the tax forms) for self-employed persons. The amount of assets available under the standard is the amount of reasonable earnings of the net market value of the assets if the assets were cash.

The use of the standard will assist courts in two ways. First, it will serve as a basis against which courts will measure the adequacy of stipulations, and if the agreement varies from the amount determined under the standard or if there is no agreement, the court may require the parties to satifactorily justify why the standard should not be used as the basis for the order. Secondly, the standard determines the amount parents are expected to contribute to a child's care, and if a child is in the physical care of someone other than a parent, the standard may be used to determine the amount each parent is ordered to pay.

The decision to utilize the standard is solely that of each court. The Department of Health and Social Services plans to evaluate the impact of the use of the standard in several jurisdictions, in order to meet the statutory mandate of 767.395(2).

General Court of Justice
26th Judicial District
MECKLENBURG COUNTY
CHARLOTTE, NORTH CAROLINA 28202-2896

FRANK W. SNEPP, JR.
SENIOR RESIDENT SUPERIOR COURT JUDGE
WILLIAM T. GRIST
RESIDENT SUPERIOR COURT JUDGE
KENNETH A. GRIFFIN
RESIDENT SUPERIOR COURT JUDGE
ROBERT M. BURROUGHS
RESIDENT SUPERIOR COURT JUDGE
CHASE B. SAUNDERS
RESIDENT SUPERIOR COURT JUDGE

DISTRICT COURT JUDGES
JAMES E. LANNING, CHIEF
L. STANLEY BROWN
DAPHENE L. CANTRELL
RESA L. HARRIS
ROBERT P. JOHNSTON
WILLIAM G. JONES
T. PATRICK MATUS, II
WILLIAM H. SCARBOROUGH
W. TERRY SHERRILL
T. MICHAEL TODD

MEMORANDUM

From: James E. Lanning, Chief District Court Judge

To: All Attorneys

Re: Child Support Guidelines

Date: June 11, 1984

PART I

Guidelines have been adopted by the District Court for use in determining minimum levels of child support in Mecklenburg County. The guidelines are as follows:

17% of the parent's gross income for one child.
25% of the parent's gross income for two children.
29% of the parent's gross income for three children.
31% of the parent's gross income for four children.
34% of the parent's gross income for five or more children.

The guidelines should be considered as presumptive of the most appropriate amount of child support in the typical child support case. They determine the amount both parents are expected to contribute to their child's care. Therefore, if a child is in the physical custody of someone other than a parent, the guidelines may be used to determine the amount each parent is expected to contribute toward their child's care. Similarly, in instances of shared physical custody between the parents, the gross income of the parents upon which child support is computed may be proportionally reduced so that the obligation of one parent is off-set, in whole or in part, by the obligation of the other. For example, if parents provide monthly alternating residential care, and each parent has the same gross income, the obligation of each parent would off-set the obligation of the other. However, if one parent had twice the other's gross income, that parent's child support obligation would be computed by applying the percentage guidelines to one-half of that parent's gross income.

In some instances of very low or very high income, rigid application of the guidelines might prove inappropriate. Likewise, extraordinary medical, dental, educational, or child care expenses may affect application of the guidelines.

In some cases a parent may already be contributing to the support of another child or children he or she is obligated to support. To the extent that the parent does provide such support and the amount is not excessive, the amount of that child support contribution ought to be deducted from the parent's gross income before application of the percentage guidelines.

In most cases determining gross income is a simple process. Gross income includes 100% of wages and salary income, interest, dividends, net rental income, self-employment income and all other income. Gross income from self-employment is the adjusted gross income reflected on IRS forms plus any depreciation taken.

Application of the percentage guidelines to the current gross income of a parent who has deliberately reduced or suppressed his or her income would, of course, be inappropriate. Such cases raise issues of income potential to which the percentage guidelines might then be applied.

The guidelines have no legal effect on the trial of a child support case. The presumption created by the guidelines is practical rather than legal. An award of child support following a trial will still be based upon findings of fact made by the trial judge relating to the income and reasonable living expenses of both parents and the reasonable needs of the child or children. The guidelines do, however, represent what the trial judge may well be expected to determine. Accordingly, the guidelines are published with the intent that child support claims be promptly resolved so that children obtain the support to which they are entitled and lawyers can devote their time to more productive claims.

PART II

The process through which the guidelines were developed began in late November, 1983. The court solicited assistance from numerous lawyers who routinely practice in our domestic courts, from the Mecklenburg County Bar Association's Ad Hoc Domestic Committee, the Family Law Sections of the American Bar Association and the North Carolina Bar Association, the Institute of Government, the American Bar Association's National Legal Resource Center for Child Advocacy and Protection, The National Conference of State Legislatures, Office of Child Support Enforcement, and The National Institute for Socioeconomic Research. Further, members of the Court spoke personally with various judges, economists and law professors throughout the country who have researched the issue of child support and written and lectured widely about the subject.

After gathering and reviewing as much information as possible, specific formulas, tables, and guidelines were selected for testing because their underlying theoretical bases and goals were reflective of existing North Carolina law relating to the determination of an appropriate child support award. We then applied these formulas, tables, and guidelines to a random sampling of actual child support awards previously made in our domestic courts to determine which approach, if any, would consistently yield a result not significantly different from the actual awards. Further, the judges, in a group setting, individually responded to about a dozen hypothetical child support problems by making "awards" in each judge's customary fashion; the selected formulas, tables and guidelines were then applied to the hypotheticals to

determine which, if any, would consistently yield a result not significantly different from awards made by the individual judges.

With respect to this process, one of the more interesting facets was the high level of consistency of award amounts among the judges. Accordingly, the exercise demonstrated that when only appropriate economic facts were considered in setting child support, no significant differences in award amounts existed among the judges. Stated differently, when legally irrelevant date relating to fault in the divorce or fitness for custody were removed from consideration, child support awards were highly uniform and appropriate.

Two of the approaches tested consistently resulted in awards not significantly different in amount from those made in the randomly selected actual cases and the awards made in the hypothetical problems. Of these two approaches, the Wisconsin Percentage of Gross Income Standard for Setting Child Support Awards, mandated by the Wisconsin Legilature in 1983 as that State's required method of determining child support, came closest, and in many instances was identical to the standard for Mecklenburg County.

Accordingly, the Court has selected the Wisconsin Percentage of Gross Income Standard as its guidelines for the determination of child support in Mecklenburg County.

JEL/gal

James E. Lanning

SESSION 19_____

INTRODUCED BY:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO AMEND THE HEALTH INSURANCE CONTINUATION AND CONVERSION PRIVILEGES LAW BY PROVIDING EXTENDED CONTINUATION PRIVILEGES TO SURVIVING, SEPARATED, AND DIVORCED SPOUSES AND BY CLARIFYING THE DEFINITION OF GROUP POLICY.

The General Assembly of North Carolina enacts:

Section 1. G.S. 58-254.37 is rewritten to read:

"§ 58-254.37. Eligibility.--(a) Continuation shall only be available to:

(1) An employee or member who has been continuously insured under the group policy, or for similar benefits under any other group policy that it replaced, during the period of three consecutive months immediately prior to the date of termination;

(2) The surviving spouse or any eligible dependent whose coverage under the group policy would otherwise terminate by reason of the death of the employee or member;

(3) The spouse or any eligible dependent of the employee or member whose coverage under the group policy would otherwise terminate because of the granting of a divorce to either spouse by a court of competent

jurisdiction or because of marital separation of the spouses; and

(4) The spouse or any eligible dependent of the employee or member where the employee or member requests cancellation of coverage of the spouse or dependent.

(b) When an employee or member and his spouse or any eligible dependent are covered under a group policy and the employee or member cancels the coverage or removes the spouse or dependent from the coverage, the insurer shall notify the spouse or dependent of the change or cancellation in order to enable the spouse or dependent to exercise the continuation rights granted by this section.

(c) The continuation privileges granted by this section shall be available without evidence of insurability. Continuation privileges shall be available to any person who is or could be covered by Medicare, but only in the form of a Medicare supplement policy, as defined in G.S. 58-262.13(4). In order to continue coverage on a fully contributory basis under subdivisions (a)(2) through (a)(4) of this section, the premium must be paid by the spouse or dependent within 90 days of the death, divorce, marital separation, or cancellation, as appropriate, and coverage shall relate back to the date the coverage would have terminated because of death, divorce, marital separation, or cancellation if the premium had not been paid. In order to offset administrative costs incurred because of this section by a holder of a group policy, the holder may charge a processing fee, not to exceed two dollars, to each person

entitled to continuation each time that person makes a premium payment to the holder."

Sec. 2. G.S. 58-254.42 is rewritten to read:

"§ 58-254.42. Termination of continuation.--Continuation of insurance under the group policy for any person shall terminate on the earliest of the following dates:

(1) The date three months after the date the employee's or member's insurance under the policy would otherwise have terminated because of termination of employment or membership;

(2) The date ending the period for which the employee, member, or spouse or dependent entitled to continuation under G.S. 58-254.37 last makes his required contribution, if he discontinues his contributions;

(3) The date the employee, member, or spouse or dependent entitled to continuation under G.S. 58-254.37 becomes or is eligible to become covered for similar benefits under any arrangement of coverage for individuals in a group, whether insured or uninsured; or

(4) The date on which the group policy is terminated or, in the case of a multiple employer plan, the date the employer terminates participation under the group master policy. When this occurs the employee, member, or spouse or dependent entitled to continuation under G.S. 58-254.37 shall have the privilege described in G.S. 58-254.44 if the date of termination precedes that on which the employee's, member's, spouse's, or dependent's actual continuation of

insurance under that policy would have terminated. The insurer that insured the group prior to the date of termination shall make a converted policy available to the employee, member, spouse, or dependent."

Sec. 3. G.S. 58-254.57(c), as found in the 1983 Supplement, is amended by substituting the word "dependent" for the word "children" in the third and tenth lines; for the word "child" in the eleventh line; and for the words "family member" in the thirteenth line.

Sec. 4. G.S. 58-254.41 is amended:

(a) By substituting the words, "employee, member, or spouse or dependent entitled to continuation under G.S. 58-254.37" for the words, "employee or member" in the first and second sentences.

(b) By striking the word, "his" from the first sentence.

(c) By substituting the words, "policyholder or employer" for the words, "group policyholder" in the third sentence.

Sec. 5. G.S. 58-254.35(1) is rewritten to read:

"(1) 'Group policy' means a policy or contract of group accident and health insurance as defined in G.S. 58-254.4 or of blanket accident and health insurance described under G.S. 58-254.3(a)(5) through (a)(7); an insurance certificate or subscriber contract issued by a hospital or medical service corporation under General Statutes Chapter 57; or health care plan subject to General Statutes Chapter 57B."

Sec. 6. This act shall apply to all group policies, as defined in G.S. 58-254.35(1), that are delivered, issued for delivery, renewed, or amended after the effective date of this act.

Sec. 7. This act shall become effective October 1, 1985.

SESSION 19 85

INTRODUCED BY:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE EXTENDED CONTINUATION PRIVILEGES UNDER THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN TO SURVIVING AND DIVORCED SPOUSES AND SPOUSES WHOSE COVERAGE IS CANCELLED AT THE REQUEST OF THE OTHER SPOUSE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 135-40.11(a) is amended in the first line by deleting the word "Coverage" and by inserting the following in lieu thereof: "Except as provided in G.S. 135-40.2(b)(7), (8), or (9), coverage".

Sec. 2. G.S. 135-40.11(a)(1) is amended by deleting the second and third sentences.

Sec. 3. G.S. 135-40.12(a) is amended in the first and final sentences by deleting the words, "or dependent".

Sec. 4. G.S. 135-40.2 is amended by adding three new subdivisions to read:

"(7) The surviving spouse and any eligible dependent whose coverage under the Plan would terminate by reason of the death of the employee or retired employee.

(8) The spouse and any eligible dependent of the employee or retired employee when coverage of the spouse and any eligible dependents would terminate because of the

granting of a divorce to either spouse by a court of competent jurisdiction.

(9) The spouse and any eligible dependent of an employee or retired employee where the employee or retired employee requests cancellation of coverage of the spouse or dependent."

Sec. 5. G.S. 135-40.3 is amended by adding a new subsection to read:

"(e) Continuation Privilege Conditions--The continuation privileges provided by G.S. 135-40.2(b)(7), (8), and (9) shall be available without evidence of insurability. Continuation privileges shall be available to any person who is or could be covered by Medicare only as a Medicare supplement policy, as defined in G.S. 58-262.13(4). Continuation privileges shall not be available to any person who becomes or is eligible to become covered for similar benefits under any arrangement of coverage for individuals in a group, whether insured or uninsured. In order to continue coverage on a contributory basis under G.S. 135-40.2(b)(7), (8), or (9), the premium must be paid by the spouse or dependent within 90 days of the death, divorce, or cancellation, as appropriate, and coverage shall relate back to the date the coverage would have terminated because of death, divorce, or cancellation if the premium had not been paid."

Sec. 6. G.S. 135-40.11 is amended by adding a new subsection to read:

"(e) When an employee is covered under Employee and Family Coverage under G.S. 135-40.3(d)(3) and the employee cancels the coverage or changes to another type of coverage under G.S. 135-40.3(d), the Plan Administrator shall notify the spouse of the change or cancellation, so the spouse may exercise the coverage rights granted by G.S. 135-40.2(9)."

Sec. 7. Any otherwise qualified person covered under the Plan at any time from October 1, 1982, through June 30, 1985, may obtain coverage under this act beginning July 1, 1985. If the 90 day period provided by G.S. 135-40.3(e) expires before July 1, 1985 coverage may be obtained by payment of the premium no later than October 31, 1985, but in such case coverage shall begin on the first day of the month following such premium payment.

Sec. 8. This act shall become effective July 1, 1985.

APPENDIX N

DEPARTMENT OF INSURANCE

State of North Carolina

P. O. BOX 26387

RALEIGH, N. C. 27611

JOHN RANDOLPH INGRAM
COMMISSIONER OF INSURANCE

(919) 733 7343

November 27, 1984

The Honorble Helen R. Marvin
The Honorable Ruth Easterling
Cochairpersons, LRC
Committee on Women's Needs

Re: Extending Continuation of Group Health Insurance to Surviving, Separated and Divorced Spouses and Spouses Whose Coverage is Cancelled at the Request of the Other Spouse

Dear Senator Marvin and Representative Easterling:

In my tenure as Commissioner of Insurance for the State of North Carolina, it has been my goal to make available insurance coverage to all our citizens on the broadest possible basis.

When the continuation and conversion law was being considered, it was my hope that there would be a more extensive continuation benefit in the legislation, for that is the most important aspect of the bill, i.e. providing the identical coverage at an affordable group rate. Since the law permits companies to set the premium based on the experience of the conversion group alone, it has resulted in developing a fairly expensive premium since only those who cannot work or have health problems and can't obtain other coverage stay in the program.

There were other problems with the bill, including its applicability. The law only applied to new policies and existing policies which were "amended" rather than renewed. This made the effective date on existing policies rather ambiguous and delayed the effect of the law longer than what I felt was the intent of the legislation. This new legislation does use both the words "amended" and "renewed." Ambiguity should be eliminated.

Furthermore there was some question as to whether or not divorced spouses were entitled to conversion. This was remedied by the next session of the General Assembly, but the application of the continuation benefit was delayed until this legislation, and I feel that it is long overdue and support these bills.

There has always been a problem with notification to affected group employees. I have tried on several occasions without success to get legislation passed that would require individual notification to employees in the event of cancellation of a group policy. The Continuation and Conversion Act permits the insurer to place information regarding the procedure for continuation and conversion, which requires application and the pre-payment of premiums in a timely fashion, in the certificate or booklet given to employees. This system greatly relies on the cooperation of the employer to successfully provide this benefit to terminating employees and now hopefully divorced and separated spouses, and spouses and dependents whose coverage has been cancelled by the other spouse. In many instances the spouse or dependent does not know of the right to continue or convert. The provision in the bill which gives spouses, divorced spouses and dependents ninety (90) days to apply for such coverage will do much to alleviate the problems caused by the inability of the insurer or employer to notify such eligible members.

I am also pleased that similar benefits are being afforded to employees and dependents in the Teachers and State Employees Comprehensive Major Medical Plan. I note that the responsibility for notification in the State Plan lies with the Administrator. Steps should be taken to see that meaningful and effective notification can be made to eligible members.

For the above reasons and more, I strongly support the introduction and ratification of these two bills.

Very truly yours,

John Ingram

John Ingram
Commissioner of Insurance

JI:ja